

Innovation - Big "I" or little "i"

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Use of the word innovation first began to gain momentum in the 1980's and by the year 2000 innovation was the "flavor of the month" with everybody being told that their businesses needed to embrace innovation or risk falling by the wayside.

Whilst we are being told to embrace the innovation imperative, what does this word that has become so popular really mean, and what is the call to action to initiate innovation?

A very popular definition of innovation seems to refer to the process of taking an idea or an opportunity from the mind to market, in other words innovation is the process of turning an idea into a commercial outcome. Whilst this may be a popular definition unfortunately it doesn't really represent a call to action, for what does one do with the word innovation when it is so described? Perhaps a better and more useful definition, and one more closely aligned with what a dictionary may define as innovation, is the process of change. Indeed the best definition of the word innovation is "change that adds value". This is the call to action. It represents the initiative to make changes to what already exists whether they are products, processes or services.

Consider this interesting fact, the top 10% of electronic companies worldwide replace some 80% of their products every five years, such is their rate of innovation. For example, if you purchased a SONY or Panasonic video camera or cell phone today, do you think you could purchase the same product in five years, not likely? Indeed it is doubtful if you would be able to purchase the same one just 18 months into the future. Yes indeed, the top electronics companies are innovation experts.

In a recent book called "Creating Wealth" by Lester Thurow some interesting statistics are cited.

In the 1920's the life expectancy of a publicly listed company in the USA was some 65 years, by the 1990's this figure has fallen to less than ten years. Of the companies forming the original list of the Standard and Poor's Index, only one, General Electric still survives today, and to do so GE has had to constantly re invent themselves to remain relevant.

Interestingly, some of the less initiated in this business often use the word innovator interchangeably with invention. This is often done in a polite and misguided endeavour differentiate the person in question from the classic

stereotypical inventor, represented as some eccentric being with fuzzy white hair and usually wearing a white dust coat.

In fact innovation and invention are different.

Whereas innovation may be defined as change that adds value, invention may be perhaps best defined as something new, novel and without precedent.

Notwithstanding the above, most inventions are in fact created by making improvements to existing things. Indeed there are few totally new inventions. However, whereas novelty is an essential part of an invention, novelty is not an essential part of an innovation.

When it comes to understanding innovation further, some texts refer to so called big “I”, and little “i”. The former refers to big or disruptive innovations that totally change the landscape of a business, its products or the dynamics of the market. In contrast, little “i” refers more to incremental changes or improvements to businesses and products.

In theory, or more likely with the benefit of hindsight, many thinkers and writers on the subject refer to big “I” as essential for businesses to survive for the longer terms. The push is for businesses to “disrupt” themselves and radically change for the better following in the footsteps of so many companies cited as case studies that have successfully done so beforehand.

NOKIA may be one exceptional example of a company that successfully migrated its core business from lumber to electronics. They did this after they correctly saw the growing resistance to the use of the dwindling natural resource of timber, and the emergence of the new mobile phone business with almost unlimited consumer market potential. This is a wonderful success story operating on the big “I” model.

General Electric is another company that has reinvented itself and is now strong in the financial sector. However, in doing so GE took the safe option in that whilst creating its new enterprise it did not turn its back on its traditional engineering business, instead it used its brand strength to underpin a successful new endeavour.

Many texts refer to these case studies as a blueprint for the future and an endorsement of big “I” as the means to renewed riches as companies model themselves on the NOKIA style of rebirth. Unfortunately, all of these case studies are just that, studies in hindsight of a few “stars” that have successfully crossed the bridge to new horizons. Rear vision is a wonderful thing, but if one looks at the history of pioneers you will find the path littered with the corpses of those who dared to be first, but failed, as is so often the

case. The problem is that these pioneers are all too seldom heard of, and thus the case studies they could present are not brought to our attention.

Consider some of the so called disruptive technologies that have either failed, or undergone a very difficult and expensive birth, to then succeed in the hands of competitors who ultimately steal the market.

Examples of notable failures may include the ill fated COMET jet passenger liner, a revolution in its day, plagued with technology problems whose ultimate solution enabled Boeing, untarnished by the pioneering COMET failures to win the world market for passenger jets. Concorde is another example of a technology before its time, ultimately supersonic passenger transport will become commonplace, but not to the benefit of the Concorde pioneers.

The facsimiles machine invention was credited to Scotsman Alexander Bain before the turn of the 20th century. However, it was not until the Japanese developed and used this technology within their own businesses to enable people to understand their application that these machines came into popular use.

The helicopter is another example of an invention that was many years in development and refinement, and even after successful flight was demonstrated, was still largely considered to be a relatively useless novelty.

The electric light when finally brought to market suffered enormous resistance, especially from the gas companies. In supplying power to the “new fangled” electric light Thomas Edison chose to use Direct Current (DC) and was a brave pioneer, but ultimately the vastly superior Alternating Current method was developed and is now deployed worldwide. Edison as the pioneer in the field was not the ultimate winner.

Even the ubiquitous computer and the internet took many years to be adopted by the greater community, and had it not been for the development of both word processing and spreadsheets, computers today would be little more than scientific novelties and platforms for games.

The invention of the personal computer is credit to Steve Jobs at Apple, but look who took the cream of the business, IBM, with its following technology. Though Jobs made his fortune with Apple, it was the second into the market who won the race.

There are countless example of pioneers who failed in their venture and did not even rate a mention in the end game, a game that was often won by followers into the business.

On that basis of the above, one may well ask; where is the place for big “I” versus little “i”?

There can be no doubt that little “i” is far easier to conceive and initiate than big “I”; and little “i” carries far less risk, so what is it to be?

For my money, little “i” wins every time.

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